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SBT SMALL BUSINESS IN TELECOMMUNICATIONS

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October 16, 1997

Office of Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Request For Rescheduling of LMDS Auction (Auction 17)
From December 10, 1997 to February 10, 1998
Or, In the Alternative, Reestablishment of Installment Payments
CC Docket No. 92-297

To: The Commissioners

On behalf of the Association members, including those wishing to participate in the upcoming LMDS Auction which is scheduled to be held on December 10, 1997, see, Commission's Public Notice entitled *Auction of Local Multipoint Distribution Service* (DA 97-2081) released September 25, 1997, SBT hereby requests that the auction date be rescheduled for February 10, 1998, to provide sufficient time for participants to adjust their financial planning to reflect the agency's elimination of installment payments. As the Commission knows and as is reflected in the separate statement of Commissioner Chong to the Second Order on Reconsideration, CC Docket No. 92-297 (released September 12, 1997), the elimination of installments payments will have a substantial impact on small businesses attempting to finance participation in the auction. This impact is reflected in small businesses, which have long positioned themselves for participation, having to reapproach lenders to adjust their finances.

Since the time of the Commission's announcement within the aforementioned Public Notice, SBT members have attempted quickly to readjust long standing financial commitments, however, the Commission's presently announced date of the auction is coming too fast to assure that small business will be able to accomplish the goal of reforming business plans. Therefore, to provide necessary assistance to small business, SBT requests that the Commission reconsider its scheduled date of December 10, 1997, revising that date to February 10, 1998. In the alternative, SBT hereby requests that the Commission reestablish the use of installment payments for small businesses participating in the LMDS auction.

SBT recognizes that the Commission has not had to endure the problems and pitfalls of small business financing. Whereas an 88-day period between the announcement and the holding of the auction might be sufficient for large corporations capable of self-financing, the time period is insufficient for small business needs, especially when a material element of previous financing, installment payments, has been suddenly eliminated.

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The grant of the instant request will also conform with the Commission's duties in accord with newly adopted 47 U.S.C. §309(j)(3)(E), wherein Congress specifically required the agency to provide entities with sufficient time to evaluate and arrange financing following adoption of final auction rules. SBT does not believe that the announced 88-day period is sufficient for the purposes of meeting the mandate contained within Section 309(j)(3)(E), in view of the agency's elimination of installment payments. In fact, for purposes of conformance with the statutory language, the period between the announcement of final auction rules commenced on September 25, 1997 with the Commission's Public Notice entitled *Auction of Local Multipoint Distribution Service* (DA 97-2081), thereby creating a mere 75-day period for rearranging finances for the purpose of participation.

It should be noted that SBT does not seek to set aside the auction or disturb the Commission's chosen methodology for performance of the auction. The delay suffered in this proceeding has been substantial already. However, the language of the relevant statute and the effect of the Commission's elimination of installment payments necessitates the Commission's providing some relief for small business and to assist the Commission in fulfilling its obligations to take those actions which are necessary to disseminate licenses among designated entities. Since the Commission's elimination of installment payments shall have the greatest adverse impact on that class of persons, grant of the requested relief will also assist the Commission in conforming with its duties under 47 U.S.C. §309(j)(4).

If the Commission believes that the auction should continue to be scheduled for December 10, 1997, SBT respectfully requests that the agency reestablish the installment payments as an alternative method of financing participation. SBT recommends that the Commission allow participants to choose between higher bidding credits or installment payments as each eligible participant's method of payment. In this manner, the agency will not disturb any newly rearranged financial plans made by small businesses who have been successful in adjusting their financing following the Commission's announced elimination of installment payments; while providing to persons who do not have the capacity to alter financing structures in the brief period before auction, an opportunity to participate under pre-existing financial arrangements.

Respectfully submitted,

SMALL BUSINESS IN TELECOMMUNICATIONS

By: _____

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